



BCStats

Infoline

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May 11th, 2012

- B.C.'s unemployment rate falls to 6.2% in April
- Exports slip 2.0% in March
- Housing starts in B.C. climb 5.3% in April

Labour Force

- **Employment in British Columbia climbed 0.9% (seasonally adjusted) in April, the largest monthly increase posted since September 2011.** As a result, B.C.'s unemployment rate fell to 6.2%, the lowest that the provincial jobless rate has been since January 2009.

Considerable growth in the number of jobs in the province's forestry, fishing & mining (+15.4%) agriculture (+9.6%), and manufacturing (+5.8%) industries pushed total goods sector employment higher by 3.3% after registering declines in each of the two previous months. Not all industries fared as well, as workforces were trimmed in the construction (-1.2%) and utilities (-10.6%) industries.

Service sector employment inched 0.3% higher in April. Increases in the number of jobs in retail & wholesale trade (+2.6%), education (+3.2%), transportation & warehousing (+3.6%), and information, culture & recreation (+3.3%) offset reductions in accommodation & food service (-5.3%), management & administration (-3.6%), public administration (-1.8%), and finance, insurance & real estate (-1.2%).

Data Source: Statistics Canada

- **At the national level, employment rose slightly (+0.3%) in April.** Seven provinces reported higher employment, with the largest relative gains in Newfoundland & Labrador (+1.7%), P.E.I. (+1.4%), New Brunswick (+1.3%), and Saskatchewan (+1.3%). Due to their relative size, however,

workforce expansions in British Columbia (+0.9%), Quebec (+0.6%), and Alberta (+0.5%) contributed the most to the overall increase. Employment was down in Nova Scotia (-0.5%), Manitoba (-0.3%), and Ontario (-0.1%).

Data Source: Statistics Canada

Census

- **In 2011, there were 19,759 farms operating in British Columbia, a number that was largely stable compared to the figure reported in 2006.¹** However, while the number of farms remained the same, total farm land area (-7.9%) and average farm size (-7.4%) fell sharply.

The number of farm operators inched higher (+0.2%) between 2006 and 2011, to 29,925. Well over one-third (37%) of the province's farm operators were women, compared with just over one-quarter (27%) reported at the national level. The average age of farm operators in B.C. crept higher from 53.6 years in 2006 to 55.7 years in 2011. Farm operators in the province were also slightly older compared to the national average (54.0 years) in 2011.

Data Source: SC Cat. no. 95-640-X

The Economy

- **Exports of BC products slipped (-2.0%, seasonally adjusted) in March, partially reversing gains made in February (+6.3%).** A slump in exports of energy products to overseas destinations helped drive overall ex-

¹ A "farm" is defined as an operation that produces agricultural products intended for sale.

Report

BC's Exports Moving Out of the Woods

Did you know...

In 2011, British Columbia greenhouses produced more than \$91 million worth of cut flowers, with gerberas, tulips, and chrysanthemums making up most of the harvest.

Data Source: SC Cat. no. 22-202-X

ports down, despite increases in most other major commodity groups. Exports to the US climbed 2.1%, due primarily to a surge in the value of energy shipments (+19.5%), although shipments of machinery & equipment (+1.9%) and forest products (+1.1%) also increased. Exports to other destinations were down 4.8%, with upturns across all major commodities, except energy products (-16.8%).

Canadian exports edged down 0.4% in March. Shipments to the US slipped (-2.1%), while exports to Japan (+7.7%) and the European Union (+2.4%) strengthened. A contraction in energy exports (-8.9%) accounted for most of the decrease, but shipments of forestry (-0.3%), agricultural & fishing (-0.4%) and automotive (-0.7%) products were also down.

Data Source: Statistics Canada & BC Stats

- **The value of building permits issued by municipal authorities in British Columbia fell 29.0% (seasonally adjusted) in March.** This decline comes on the heels of a significant rise (+45.1%) in the previous month. Most of the drop registered in March was attributable to a slump in the value of permits issued to the non-residential sector (-57.4%), with slowed construction intentions for commercial (-15.5%) and industrial (-92.9%) buildings. Meanwhile, the value of residential permits was down just slightly (-0.2%).

Nationally, permit values climbed 4.7% with a solid increase registered in the non-residential (+13.9%) sector offsetting a 1.3% drop in planned spending on residential buildings. At the provincial level, permit values were up in eight provinces, most notably in Ontario (+23.0%) and parts of Atlantic Canada.

Data Source: Statistics Canada

- **Year-to-date, the value of building permits in the province was 21.9% higher than in the first three months of 2011, with all but two region recording increases.** Permits

soared in North Coast (+4,037.6%), due primarily to a surge in the industrial sector. Other increases in the value of permits ranged from 0.7% in Vancouver Island/Coast to 25.7% in Northeast. On the flip-side, declines in the value of permits were recorded in Thompson/Okanagan (-12.2%) and Nechako (-4.2%). A 9.5% boost in Mainland/Southwest, where much of the province's building activity occurs, reflected significantly more spending on residential, industrial and institutional projects. However, planned spending on new commercial projects in the region was well below 2011 year-to-date levels, moderating some of the overall increase.

Data Source: Statistics Canada & BC Stats

- **The number of new housing starts in British Columbia rose 5.3% (seasonally adjusted) in April, recovering lost ground following a significant drop in starts the previous month.** A surge (+38.6%) in the number of new apartment units was the chief reason for the rise in total housing starts in B.C. Single-detached home starts, on the other hand, were down (-5.9%). In Vancouver, housing starts climbed 6.7%, driven by a significant increase (+9.5%) in the number of new multi-unit dwellings.

Nationally, the number of housing starts jumped 14.0% in April as starts of multiples soared (+27.4%). In P.E.I. starts more than doubled (+175.0%) compared to the previous month. Quebec (+43.1%), Newfoundland & Labrador (+36.7%), New Brunswick (+27.8%), and Ontario (+11.8%) all posted double-digit increases, with more modest gains recorded in B.C. (+5.3%), Alberta (+5.1%), and Saskatchewan (+2.4%).

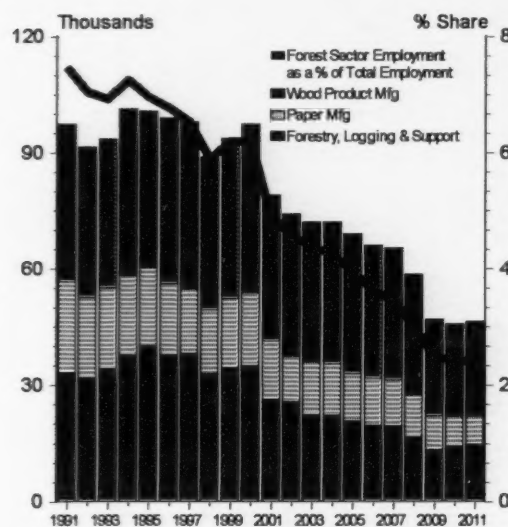
Data Source: CMHC

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BC's Exports Moving Out of the Woods

Over the last 20 years, employment in British Columbia's forest sector has been halved. In 1991, there were 97,149 people employed in forest sector jobs (forestry, logging and support, wood product manufacturing, or pulp and paper manufacturing industries). By 2011, forest sector jobs in BC numbered only 46,203, a decline of 52 percent.

British Columbia's employment in the forest sector has dropped significantly



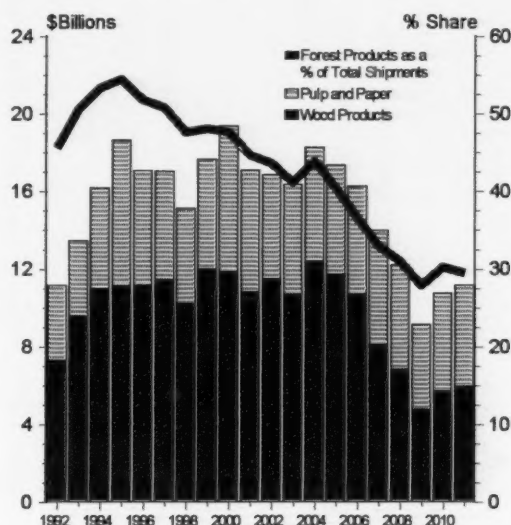
Source: Statistics Canada (SEPH)

Jobs in the forest sector comprised around 7.5% of total employment in the province in 1991, but this ratio fell to only 2.4% in 2011. The substantial declines were spread throughout the forest sector, with jobs in forestry and logging dropping 56%, pulp and paper manufacturing employment slumping 69% and

wood product manufacturing jobs reduced by 40% from 1991 to 2011.

The decline in manufacturing jobs is reflected in the volume of wood and paper product shipments. Forest products as a share of total manufacturing shipments have declined from 45.6% in 1992 to 29.4% in 2011. The share of BC's GDP generated by forest sector industries has dropped from around 10% two decades ago to only 5% in the last few years.

Forest products make up a smaller share of manufacturing shipments than 20 years ago



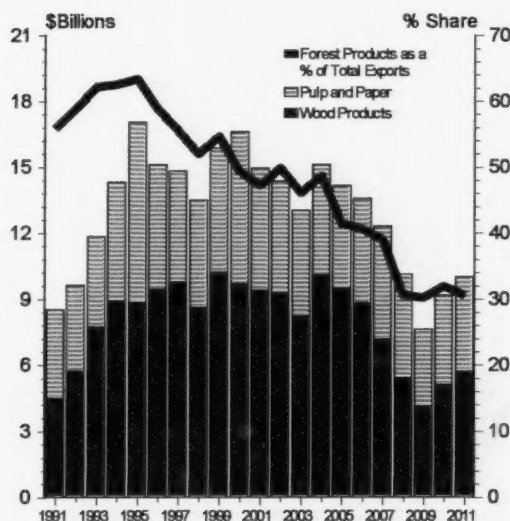
Source: Statistics Canada

Given the decline in production, it is not too surprising that exports of forest products have also fallen over the last two decades. In 1991, 55.8% of BC's exports consisted of forest products, compared to 30.4% in 2011.

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The share of BC's exports comprised of forest products has been shrinking



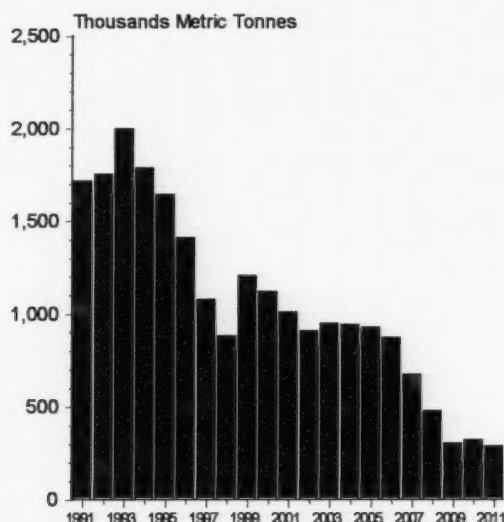
Source: Statistics Canada

While the forest sector's share of total exports has fallen dramatically, this does not necessarily translate into an equally dramatic drop in actual exports of forest products. Looking at volumes shipped, there has been less of a decline than one would think given the drop in employment.

The one exception is with respect to exports of newsprint. There has been a substantial slump in shipments of this product, both in value and volume. In 1991, over 1.7 million metric tonnes of newsprint worth over \$1 billion was exported from the province. By 2011, less than 300,000 metric tonnes were shipped from BC to international destinations, at a value of less than \$200 million. These figures translate to a decline of more than 80% in the last 20 years. The proliferation of online sources of information has had a negative impact on the news-paper industry, forcing several major North

American newspapers to cease production and many others to reduce the number of pages printed as their readership declined. As a result, demand for newsprint has fallen and is unlikely to see much of a revival.

BC's exports of newsprint have fallen dramatically over the last 20 years



Source: Statistics Canada

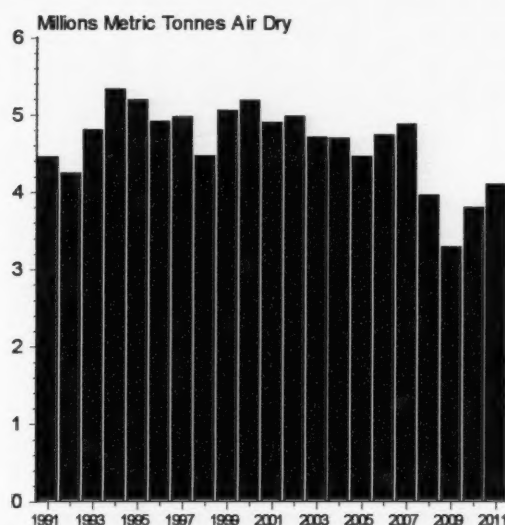
Elsewhere in the pulp and paper sector, the performance over the last two decades has been far more positive. Although the volume of pulp shipped from the province has fallen off somewhat in the last four years, the value of the pulp exported from BC in 2011 was the second highest recorded in the last decade. It was also 29% higher than the value of pulp exported in 1991.

Generally, the volume of pulp exported from BC has remained reasonably flat over the last 20 years. There was a significant slump in 2009 as a result of the global economic downturn and volumes have still not returned to pre-2008 levels, but the drop in exports is small compared to the decline in employment in the

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paper manufacturing sector. This could be indicative of productivity and efficiency gains in the industry. That said, the 2010 closures of the Kitimat and Elk Falls pulp and paper mills could mean that export volumes will not return to pre-2008 levels in the foreseeable future.

BC pulp exports have remained fairly flat over the last two decades



Source: Statistics Canada

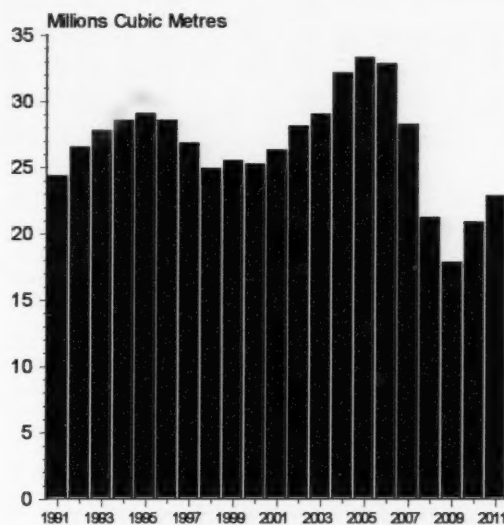
BC's exports of softwood lumber have been far more volatile, climbing to a peak of 33.3 million cubic metres in 2005, before slumping to a trough of just 17.8 million cubic metres in 2009. The significantly lower volumes of lumber shipped abroad in the last four years is mainly the result of a dramatic drop-off in housing starts in the United States. After hitting a peak of over two million starts in 2005, there was a sharp decline to only 554,000 in 2009.¹ There has been very little recovery since then and the result for BC wood producers is a

¹ Source: US Census Bureau.

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lack of demand for their product. In the last couple of years, some BC lumber exporters have managed to find new markets in China and other Asian destinations and this has helped the sector recover somewhat, although volumes exported are still historically low.

BC's softwood lumber exports have experienced a significant decline in the last four years



Source: Statistics Canada

Nevertheless, the drop in lumber shipments is nowhere near as dramatic as the decline in employment. This may be due in part to efforts to find efficiency gains in order to deal with the softwood lumber dispute with the United States from 2001 through 2006. Faced with punitive duties of up to 27%, lumber manufacturers ramped up production and made efficiency improvements to reduce costs. This resulted in record high lumber exports at the same time that employment in the wood product manufacturing sector was starting to drop off.

While social and economic conditions affecting demand have played a role in the drop in

volume of forest products manufactured and exported, as well as the decline in forest sector employment, supply has also been an issue. Specifically, the mountain pine beetle infestation has wreaked havoc on BC's Interior forests. There has been a concerted effort to harvest as many of the dead trees as possible while they still have some value, but once those are gone, the affected areas will likely face a severe timber shortage. This could result in the loss of thousands of forest sector jobs. Manufacturing shipments and exports of forest products will undoubtedly experience reductions as well, which implies that the forest sector's share of BC's employment, manufacturing shipments, GDP and exports may continue to decline over the next several years.



Email transmission information service from BC Stats



also on the Internet at www.bcstats.gov.bc.ca or choose **RSS**

BC at a glance . . .

POPULATION (thousands)		
	Jan 1/2012	% change on one year ago
BC	4,597.9	1.0
Canada	34,670.4	1.1
GDP and INCOME (Released Nov 8)		
(BC - at market prices)	2010	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	203,147	5.9
GDP (\$ 2002 millions)	167,140	3.0
GDP (\$ 2002 per Capita) (reflects revised pop)	36,899	1.4
Personal Disposable Income (\$ 2002 per Capita)	26,166	2.2
TRADE (\$ millions, seasonally adjusted)		
		% change on prev. month
Manufacturing Shipments - Feb 2012	3,199	1.0
Merchandise Exports - Mar 2012	2,707	-2.0
Retail Sales - Feb 2012	5,136	0.4
CONSUMER PRICE INDEX		
(all items - Mar 2012)	% change on one year ago	12-month avg % change
BC	1.6	2.2
Vancouver	1.8	2.1
Victoria	1.5	2.0
Canada	1.9	2.8
LABOUR FORCE (thousands)		
(seasonally adjusted)	Apr 2012	% change on prev. month
Jobs Created (-Lost) - BC	19.7	
Labour Force - BC	2,473.1	0.1
Employed - BC	2,318.8	0.9
Unemployed - BC	154.3	-10.7
		Mar 2012
Unemployment Rate - BC (percent)	6.2	7.0
Unemployment Rate - Canada (percent)	7.3	7.2
INTEREST RATES (percent)		
	May 9/2012	May 11/2011
Prime Business Rate	3.00	3.00
Conventional Mortgages - 1 year	3.20	3.70
- 5 year	5.44	5.69
US-CANADA EXCHANGE RATE		
	May 9/2012	May 11/2011
(avg. noon spot rate) Cdn \$ per US \$	1.0015	0.9582
(closing rate) US \$ per Cdn \$	0.9991	1.0405
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Apr 2012	% change on one year ago
BC	844.42	2.0
Canada	859.11	2.5
SOURCES: Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics For latest Weekly Financial Statistics see www.bankofcanada.ca		

New RSS Feeds From BC Stats

BC Stats has published several new RSS feeds, including: Aboriginal Peoples, Business and Industry, Census, Economic Statistics, Education, Environment, Geography and Mapping, Income, Pensions, Spending and Wealth, International and Interprovincial Trade, Labour, Population, Demography and Immigration, and more.

<http://www.bcstats.gov.bc.ca/Help/RSSFeeds.aspx>

The 2011 National Household Survey

Release dates have been set as:

May 8, 2013

- Immigration; Citizenship; Place of birth; Language; Ethnic origin; Visible minorities; Religion; Aboriginal Peoples

June 26, 2013

- Labour; Education; Place of work; Commuting to work; Mobility and migration; Language of work

August 14, 2013

- Income; Earnings; Housing; Shelter costs

<http://www12.statcan.gc.ca/nhs-enm/index-eng.cfm>

Census 2011 Fast Facts

According to the 2011 census, compared to other provinces, BC's population growth was second only to Alberta over the 2006 to 2011 period. In May of 2011, the census counted 4,400,057 persons in BC, up 286,570 (+7.0%) from the 2006 count. Read more on the 2011 Census page:

<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Census/2011Census.aspx>

Released this week by BC Stats

- Exports, March 2012
- Labour Force Statistics, April 2012
- Earnings & Employment Trends, April 2012

Next week

- Consumer Price Index, April 2012

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